Company Number: 1438662

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2019

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Strategic Report for the year ended 31 March 2019 Company Number: 1438662

The directors present their Strategic Report and the financial statements of Godsell Astley & Pearce (Holdings) Limited (the 'Company') for the year ended 31 March 2019.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The directors consider that the year-end financial position was satisfactory and do not anticipate any changes to the principal activities.

On 2 November 2018, NEX Group plc (now known NEX Group Limited) was acquired by CME Group after obtaining all regulatory clearances. The combined company will enable clients worldwide to trade futures, cash and over-the-counter (OTC) markets, optimise portfolios and analyse data to efficiently manage risk and capture opportunities. CME Group will retire the NEX name and brand but will continue to operate its individual Markets and Optimisation businesses as sub-brands. It is anticipated that CME Group will begin integrating NEX business operations.

RESULTS

The results of the Company are set out in the profit and loss account on page 6.

The loss for the financial year of £259,000 (2018 loss: £2,431,000) has been transferred to reserves.

The net assets of the Company are £3,254,000 (2018: £6,003,000).

KEY PERFORMANCE INDICATORS

The directors of CME Group Inc. manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The key performance indicators of CME Group Inc., which includes the Company, are discussed on pages 10 and 11 of the Group's Annual Report for the year ended 31 December 2018, which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of CME Group Inc., which include those of the Company, are discussed on pages 15 to 27 of the Group's Annual Report for the year ended 31 December 2018, which does not form part of this report.

This report has been approved by the board of directors and signed on behalf of the board:

A Seaman
Director

16 December 2019

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Directors' Report for the year ended 31 March 2019 Company Number: 1438662

The directors present their Directors' Report and the financial statements of Godsell Astley & Pearce (Holdings) Limited (the 'Company') for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES
The Company is an investment holding company. It is anticipated that the Company will continue its present business activities next year.

The Company is incorporated and domiciled in England and Wales. The registered office is London Fruit and Wool Exchange, 1 Duval Square, London, E1 6PW.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS
The business review and future developments of the Company are detailed in the Strategic Report.

GOING CONCERN
After reviewing the liquidity requirements, capital requirements, plans and financing arrangements, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and confirm that the Company is a going concern. For this reason, the Company continues to adopt the going concern basis of preparing these financial statements.

The financial statements have been prepared on a going concern basis as the Group confirmed its undertaking to provide financial support to the Company so that the Company is able to meet its liabilities as and when they fall due for a period of 12 months from the date of the approval of the financial statements.

DIVIDENDS
No dividends were paid during the year (2018: nil).

DIRECTORS
The directors of the Company, who held office during the year and up to the date of signing the financial statements were:

R Bodnum	(appointed 7 August 2019)
K Cronin	(appointed 7 August 2019)
W Knottenbelt	(appointed 7 August 2019)
A Seaman	(appointed 7 August 2019)
D Ireland	(resigned 7 August 2019)
D Abrehart	(resigned 7 August 2019)

INDEPENDENT AUDITORS
During the financial year ended 31 March 2019, Deloitte LLP resigned as auditors of the Group and Ernst & Young LLP were appointed on 20 May 2019 as auditors for the year ended 31 March 2019. Ernst & Young LLP are the CME Group Inc. auditors and, for consistency purposes, they were appointed as auditors for all legacy NEX companies.

PROVISION OF INFORMATION TO THE AUDITORS
Each of the persons who is a director at the date of approval of this annual report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.
- The directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

DIRECTORS' INDEMNITY
The company has not made qualifying third party indemnity provisions for the benefit of its directors during the year.

This report has been approved by the board of directors and signed on behalf of the board:

A Seaman
Director

16 December 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

A Seaman
Director

16 December 2019

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Godsell Astley & Pearce (Holdings) Limited for the year ended 31 March 2019 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Independent Auditor's Report

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matters

The financial statements of the Company for the year ended 31 March 2018, were not audited. Comparative information included in the current year financial statement is based on unaudited management account for the year ended 31 March 2018.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Simon Michaelson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
18 December 2019

Notes:

1. The maintenance and integrity of the Godsell Astley & Pearce (Holdings) Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Profit and Loss Account for the year ended 31 March 2019

	Note	Year ended 31/03/2019 £'000	Unaudited Year ended 31/03/2018 £'000
Interest receivable and similar income	5	86	429
Interest payable and similar charges	6	(24)	(5)
Impairment for available for sale investments	8	-	(2,855)
Other expense	9	(482)	
Operating loss		(420)	(2,431)
Tax credit	7	161	-
Loss for the financial year		(259)	(2,431)

The loss of the Company for the financial year is derived from continuing operations.

The notes on pages 10 to 18 are an integral part of these financial statements.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Statement of Comprehensive Income for the year ended 31 March 2019

	Note	Year ended 31/03/2019 £'000	Unaudited Year ended 31/03/2018 £'000
Loss for the financial year		(259)	(2,431)
Revaluation of equity investments at FVOCI	8	(2,490)	-
Total comprehensive loss for the financial year		(2,749)	(2,431)

The notes on pages 10 to 18 are an integral part of these financial statements.

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED

Balance Sheet as at 31 March 2019 Company Number: 1438662

	Note	As at 31/03/2019 £'000	Unaudited As at 31/03/2018 £'000
Non-current assets			
Available-for-sale investments	8	-	741
		-	741
Current assets			
Debtors	9	4,154	6,299
Tax receivable		80	-
		4,234	6,299
Total assets		4,234	7,040
Current liabilities			
Tax payable		-	(81)
Creditors	10	(980)	(956)
		(980)	(1,037)
Total assets less total liabilities		3,254	6,003
Equity			
Share capital	11	400	400
Share premium		1,140	1,140
Retained Earnings		3,354	3,613
Other reserves		(1,640)	850
Total equity		3,254	6,003

The financial statements on pages 6 to 18 were authorised by the Board of directors on 16 December 2019 and were signed on its behalf by:

A Seaman
Director

GODSELL ASTLEY & PEARCE (HOLDINGS) LIMITED
Statement of Changes in Equity for the year ended 31 March 2019

	Share capital (note 11)	Share premium	Fair value reserve	Other reserves	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 April 2017 (unaudited)	400	1,140	-	3,174	6,044	10,758
Loss for the financial year (unaudited)	-	-	-	-	(2,431)	(2,431)
Revaluation reserve movement (unaudited)	-	-	-	(2,324)	-	(2,324)
As at 31 March 2018 (unaudited)	400	1,140	-	850	3,613	6,003
Loss for the financial year	-	-	-	-	(259)	(259)
Revaluation loss of equity investments at FVOCI	-	-	(2,490)	-	-	(2,490)
As at 31 March 2019	400	1,140	(2,490)	850	3,354	3,254

The notes on pages 10 to 18 are an integral part of these financial statements.

Share capital

The balance classified as share capital includes the nominal value of the proceeds on issue of the Company's share capital, comprising £1 ordinary shares.

Share premium

The share premium account includes the value of the proceeds above nominal on issue of the Company's up share capital, comprising £1 ordinary shares.

Other reserves

Other reserves relate to a capital contribution received from NEX Group Holdings Limited in the year ended 31 March 2016.

1. PRINCIPAL ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), the Companies Act 2006 (the Act) as applicable to companies using FRS 101 and under the historic cost convention. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ('IFRS'). The accounting policies have been applied consistently, other than where new standards have been adopted.

The Company is a qualifying entity for the purposes of FRS 101. Note 12 gives details of the Company's parent and from where its consolidated financial statements for the year ended 31 December 2018 prepared in accordance with US GAAP may be obtained.

The following disclosure exemptions have been adopted:

- IFRS 7 'Financial Instruments: Disclosures';
- cash flow statements;
- capital management;
- statement of compliance with all IFRS;
- information when the Company has not applied a new IFRS that has been issued but is not yet effective;
- valuation techniques and inputs used for fair value measurement of assets and liabilities;
- key management compensation; and
- related party transactions entered into between two or more members of a group.

The company is a wholly-owned indirect subsidiary of CME Group Inc. and is included in the consolidated financial statements of CME Group Inc. which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006. The directors consider the exemption is available as the Company does not have securities admitted to trading on a regulated market in an EEA state as referenced within section 401 (4), regardless of the guarantee to NEX Group Limited. The financial statements have been prepared on a going concern basis. The accounting policies have been applied consistently other than where new policies have been adopted.

The financial statements of the Company for the year ended 31 March 2018 were not audited. Comparative information included in the current year financial statements is based on unaudited management accounts for the year ended 31 March 2018.

b) Accounting developments

<u>(i) New standards, amendments and interpretations adopted</u>

There is a new standard effective for the first time for the year ended 31 March 2019, but with no material impact on the Company: *IFRS 9: Financial Instruments.*

IFRS 9: Financial Instruments

The Company has applied IFRS 9: *Financial Instruments* from 1 April 2018, which replaced IAS 39: *Financial Instruments - Recognition and Measurement.* As permitted by IFRS 9, under the transition methods chosen, comparative information has not been restated. IFRS 9 has three core components: Classification and Measurement, Impairment and Hedge Accounting. Under the IAS 39 standard, applied for 2018 balances, an impairment loss was recognised if there was an objective evidence of impairment as a result of events that have occurred.

A. Classification and measurement

With respect to the classification and measurement of financial assets, the number of categories of financial assets under IFRS 9 has been reduced compared to IAS 39. Under IFRS 9 the classification of financial assets is based both on the business model within which the asset is held and the contractual cash flow characteristics of the asset.

IFRS 9 requires the classification of financial assets to be determined by a contractual cash flows test referred to as "Solely payment of principal and interest" (SPPI) and a business model test.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. There are three principal classification categories for financial assets that are debt instruments:

- amortised cost (AC)
- fair value through other comprehensive income (FVOCI)
- fair value through profit or loss (FVTPL)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. Equity investments in scope of IFRS 9 are measured at fair value with gains and losses recognised in profit or loss unless an irrevocable election is made to recognise gains or losses in other comprehensive income.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

- Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

The impact on the classification and measurement of the Company's financial assets at the date of initial adoption of IFRS 9, 1 April 2018, is summarised in the table below.

	31-Mar-18		01-Apr-18	
	IAS 39		IFRS 9	
	Amount $'000	Category	Amount $'000	category
Current assets				
Trade and other receivables (excluding derivative financial instruments)	6,299	L&R	6,299	AC

L&R = Loans and Receivables
AC = Amortised Cost

There has been no change in the accounting for financial liabilities as IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. Under IFRS 9, changes in the fair value of a financial liability designated as at FVTPL due to credit risk are presented in other comprehensive income unless such presentation would create or enlarge an accounting mismatch in profit or loss.

A. Impairment

IFRS 9 replaces the 'incurred loss' model under IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, expected credit losses may be recognised earlier than under IAS 39.

The Company will apply a 3 stage approach in determining a **significant increase in credit risk** and is used as basis for calculating expected credit losses:

Stage	**Description**	**Accounting implication**
Stage 1	No significant changes in credit quality of exposure since initial recognition	• 12-month expected credit losses • Interest calculated on gross carrying amount
Stage 2	The credit risk of the exposure has increased significantly since initial recognition	• Lifetime expected credit losses • Interest calculated on gross carrying amount
Stage 3	The credit risk of the exposure has increased significantly since initial recognition and the exposure is considered to be credit-impaired	• Lifetime expected credit losses • Interest calculated on net carrying amount

The Company assumes that the credit risk of a financial asset has increased significantly when:

- there has been an increase in the lifetime probability of default ('PD') or if the financial asset; or
- the financial assets are more than 30 days past due (backstop indicator)

The Company considers a financial asset to be in **default** when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held) or
- the borrower has defaulted on another balance within the Group or
- the financial asset is more than 90 days past due, with an exemption applied for trade receivables and intercompany receivables for which default is determined on a case by case basis. The Company considers factors such as historical information as a base from which to measure expected credit losses and applies current observable data to reflect the effects of the current conditions.

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls, representing the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

The Company will apply the general approach to all financial assets in scope for IFRS 9 impairment framework, with the exception of trade receivables, where the Company applied the simplified approach, with a lifetime expected credit loss.

The **maximum period** considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

Forward looking - As a macroeconomic variable, real UK GDP growth was identified to demonstrate a strong linear relationship with historical observed default rates. As per NEX's modelling policy, three PD term structures are used in the model: base case GDP growth rates, a plausible but optimistic case for GDP growth (upturn scenario) and a negative but plausible case of GDP growth (downturn scenario).

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in other comprehensive income, instead of reducing the carrying amount of the asset.

Impairment losses are presented under 'operating expenses', similar to the presentation under IAS 39, and not presented separately in the statement of profit or loss and other comprehensive income due to materiality considerations. When a trade receivable is determined to be uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'Operating expenses' in the consolidated income statement.

The restatement on transition to IFRS 9 as a result of applying the ECL model was immaterial.

B. Hedge accounting

The Group has taken the accounting policy choice available under IFRS 9 to continue to account for all hedges under IAS 39. There are no hedge instruments and hedge accounting in the current period.

(c) Foreign currencies

(i) Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in British pounds (£), which is the Company's functional and presentational currency.

(ii) Transactions and balances

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Exchange differences are taken to the profit and loss account, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are taken directly to profit and loss account. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(d) Tax

Tax on the profit for the financial year comprises both current and deferred tax as well as adjustments in respect of prior years. Tax is charged or credited to the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the current and deferred tax is also dealt with in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted, or substantially enacted by the balance sheet date.

Calculations of current and deferred tax liability have been based on ongoing discussion with relevant tax authorities, managements' assessment of legal and professional advice, case law and other relevant guidance. Where the expected tax outcome of these matters is different from the amounts that were recorded initially such differences will impact the current and deferred tax amounts in the period in which a reassessment of the liability is made.

(e) Interest

All borrowing costs are expensed as interest payable and similar expenses in the profit and loss account using the applicable effective interest rate. Interest receivable and similar income is recognised using the effective interest method.

(f) Pension costs

The Company's directors participate in a Group defined contribution pension scheme operated by CME Group Inc. The directors of the Company are also employees of the Group and their pension costs were borne by fellow subsidiaries of the Group.

(g) Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(h) Impairment of assets

An impairment review of the recoverable amounts of assets is undertaken at each balance sheet date or when such events or changes in circumstances indicate that an impairment loss may have occurred. Impairment losses are recognised in the profit and loss account.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, overdrafts and demand deposits and other short-term highly liquid investments which are subject to insignificant risk of change in value and are readily convertible into a known amount of cash with less than three months maturity.

(j) Borrowings

Borrowings are initially recognised at fair value, being their issue proceeds net of transaction costs incurred. At subsequent reporting dates long-term borrowings are held at amortised cost using the effective interest rate method.

(k) Financial liabilities

i) Recognition – Financial liabilities consist of creditors and accrual. Financial liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

ii) De-recognition – The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

(l) Creditors

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Capital and reserves

Ordinary shares are classified as equity. Dividends are recognised as deductions from equity in the period in which they are declared.

2. KEY ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The Company makes various judgements in applying its accounting policies and various assumptions and estimates, including about the future, when determining the carrying value of certain assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at 31 March 2019 that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Company's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved:

- The impairment review of AFS investments: following the CME Group Inc. acquisition on 2 November 2018, the Group has undertaken a strategic review and reorganisation of AFS investments. This led to a £2,490k impairment of the Company's investment in Exotix Partners LLP.

3. OPERATING LOSS

During the current year, the Company had no employees (2018: nil).

4. DIRECTORS REMUNERATION

No fees were paid to the directors in respect of services to the Company during the year (2018: nil).

5. INTEREST RECIEVABLE AND SIMILAR INCOME

	As at 31/03/2019 £'000	Unaudited As at 31/03/2018 £'000
Interest receivable from related companies	86	429
	86	429

6. INTEREST PAYABLE AND SIMILAR CHARGES

	As at 31/03/2019 £'000	Unaudited As at 31/03/2018 £'000
Interest payable to related companies	24	5
	24	5

7. TAX CREDIT

	Year ended 31/03/2019 £'000	Unaudited Year ended 31/03/2018 £'000
a) Analysis of tax credit for the year		
Current tax	(80)	80
Adjustments in respect of prior years	(81)	(80)
	(161)	-
b) Factors affecting the tax charge for the year		
Loss before taxation	(420)	(2,431)
Tax calculated at rate of 19% (2018: 19%)	(80)	(462)
Effects of:		
Expenses not deductible for tax purposes	-	542
Adjustment in respect of prior years	(81)	(80)
	(81)	462
Tax credit for the year	(161)	-
Effective tax rate	38%	0%

The standard rate of Corporation Tax in the UK changed from 20% to 19% with effect from 1 April 2017 and following the enactment of Finance Act 2016 on 15 September 2016 will fall to 17% from 1 April 2020.

8. AVAILABLE-FOR-SALE INVESTMENTS

	As at 31/03/2019 £'000	Unaudited As at 31/03/2018 £'000
As at beginning of the year	741	5,439
Additions	1,749	481
Impairment of available-for-sale	(2,490)	(2,855)
Fair value revaluation	-	(2,324)
As at end of the year	-	741

The Company's investment in Exotix Partners LLP was impaired during the year. Due to increasing losses and unforeseeable future economic benefit, management has considered this as an impairment trigger and therefore the investment was written down to nil.
Additions during the year represents the capitalisation of a loan to Exotix (1) Limited of £1,749,000.

9. DEBTORS

	As at 31/03/2019 £'000	Unaudited As at 31/03/2018 £'000
Accrued income	-	418
Amounts due from:		
-related group companies	4,081	4,081
-immediate holding company	73	-
-related company	482	1,800
-ECL on amounts due from related company	(482)	-
	4,154	6,299

Amounts due from fellow group companies falling due within one year includes an unsecured loan of £482,000 with Exotix Partners LLP (2018: 482,000) on which interest is charged at 10 %. The loan is repayable on 30 June 2023.

10. CREDITORS

	As at 31/03/2019 £'000	Unaudited As at 31/03/2018 £'000
Loans from:		
-immediate holding company	980	956
	980	956

Loan from immediate holding company relates to a revolving credit facility on which interest is charged at LIBOR plus 3%.

11. SHARE CAPITAL

	As at 31/03/2019 £'000	Unaudited As at 31/03/2018 £'000
Allotted and fully paid:		
400,400 Ordinary shares of £1 each (2018: 400,400)	400	400
	400	400

12. IMMEDIATE, AND ULTIMATE PARENT COMPANY

The Company's immediate parent is NEX Group Holdings Limited which does not prepare consolidated financial statements.

As at 31 March 2019, the Company's ultimate parent was CME Group Inc. which is incorporated in the United States and headed the largest group of companies of which the Company was a member. CME Group Inc. prepares consolidated financial statements in accordance with US GAAP and copies may be obtained from the Company Secretary, CME Group Inc., 20 South Wacker Drive, Chicago, 60606.